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Second country cooperation framework for the Republic of Korea (2001-2003)

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Introduction

1. The Republic of Korea/United Nations/UNDP partnership is undergoing a significant change. It is best captured by the declaration of the Minister of Foreign Affairs and Trade in a press interview in September 2001; he noted that the admission of his country to the United Nations gave the nation a long-awaited opportunity to increase its contribution to the international society on the strength of its hard-earned economic capability. Admission to the United Nations had a special significance for his country. Development aid had become another priority area. He believed that his own country's experience of development could serve as a model for the development of other countries.

2. The first CCF (1998-1999) took into account the increasing share of the Republic of Korea's substantive involvement and cost-sharing in UNDP national and regional projects. Throughout this period, the country continued to benefit from UNDP funding, provided on an exceptional basis, in terms of programme funds as well as administrative support. The first CCF also provided the opportunity to initiate a broad consultation process to redefine the new partnership paradigm between the Republic of Korea and UNDP and therefore was extended until end 2000, to allow for more discussion.

3. The second CCF reflects the consultative process between the Republic of Korea and UNDP, subsequent to the country's entry into the Organisation for Economic Co-operation and Development group in December 1996, its emergence as a donor country to the United Nations and UNDP and its participation in the new development thrust of the United Nations and UNDP. Based on these new development paradigms, effective 2001, UNDP and the Republic of Korea established a new framework of cooperation that reflects the emerging reality, whereby the country, as a net contributing country, agreed to support the continued UNDP presence in the Republic of Korea. The current UNDP country office, now fully funded by the Republic of Korea and headed by a Representative, will support the priorities of the Republic of Korea, both nationally and regionally, and the country's agenda, particularly within the United Nations framework, as a global development partner.

I. Development situation from a sustainable human development perspective

A. Achievements

4. With a strong and long tradition and history of weathering crises and difficult times, in the past 45 years, the Republic of Korea has become a recognized showcase and model of reconstruction and development, emerging as one of the four "tigers" of East Asia. Severely hit by the 1997 Asian financial crisis, it rebounded and repaid the $19.5 billion International Monetary Fund bailout loan two and one half years ahead of time. Despite the crisis, per capita gross national product in 2000 reached a high of $9,674, and the Republic of Korea ranked thirteenth in the world, both in terms of its gross domestic product and trade volume. It is also recognized as a world player in key technology sectors, in particular information technology (IT), shipbuilding, construction and consumer goods.

5. The strong emphasis on research and development in science and technology, human resource development and high-level education, as well as a vigorous export policy, have all made a critical contribution to the phenomenal economic growth of the country. But this could not have been achieved without a remarkable collective social mobilization, involving all sectors of society, underpinned by a strong and vibrant sense of national identity and solidarity.

6. In 2001, the Government established the following as its top five national priorities: (a) the

establishment of a democratic and human rights-based country; (b) the realization of harmony among its people; (c) the establishment of a knowledge-based economy; (d) the protection of middle- and low-income people; and (e) the realization of a peaceful Republic of Korea.

7. Despite the Republic of Korea's achievements, not all sectors of the economy and society have benefited equally. The overall economy is still fragile and sensitive to global economic and political developments, making the Government's reform initiatives even more urgent and critical.

B. Current issues and challenges

8. *Environment.* The rapid development and industrialization of the country has inevitably affected the environment. The consciousness at all levels - governmental and civil society organizations (CSOs) - of the urgent need to rehabilitate and protect the environment in a sustainable way, not only for the country itself but also for the region, have made environment a priority. As reflected in it's "New Paradigm in Environmental Policy 2001", The Ministry of Environment has identified immediate priority areas, namely: water resource management, waste management, air pollution, sustainable land management and biodiversity and ecosystem protection.

9. *Reform and governance.* While progress has been made in the areas of banking and financial reforms and in corporate restructuring, there remains a need to further enhance competitiveness, promote foreign direct investment and enhance accountability and transparency, to better equip the country to face the challenges of globalization, while mitigating the potential social consequences.

10. *Employment.* In 1998, the Government launched the "productive welfare" policy, aiming at enhancing the quality of life of the population, by promoting the employment of the largest possible number of citizens, including the handicapped and disabled. However, as a ripple effect of the drastic measures taken to mitigate the effects of the 1997 crisis and despite some improvement in 2000, unemployment and the reinsertion of "laid off" workers still remain a major concern, particularly in the informal sector and for vulnerable groups such as women, who comprise 73 per cent of the unemployed.

11. *Improved and sustainable social protection and health coverage.* Sensitivity and fluctuations in the job market and increased average life expectancy and the rapidly ageing population combined with a constant decline of the population growth rate are putting increased pressure on the Government and the decreasing working population to address the need for enlarged, enhanced and sustainable social protection, including pension and health coverage. While CSOs play a noteworthy role in complementing the role of the Government, particularly for the more vulnerable groups (e.g., aged citizens, women, disabled persons and children), they can only be considered as a complement to government measures.

12. *Gender.* Although women's non-governmental organizations (NGOs), associations and universities have been very active in promoting the role of women in many sectors, the position of women in the political, economic and social arenas and in their families still lags behind. The creation of a Ministry of Gender Equality, in January 2001, is a clear indication of the Government's determination to grant and promote the rights and interests of women and to develop their capacities through mainstreaming gender policies in all areas of society. Reform of institutions and laws, enhanced women's political representation, promotion of women's education and employment, expansion of social welfare services for women and fostering women's roles in reunification and the international arena are some of the key strategies of the first women's basic plan (1998-2002).

13. *North-South peace-building prospects.* Despite a recent stalemate in bilateral discussions, ministerial talks resumed in September 2001. Some key areas for discussion are: (a) the reconnection of

the railway between Seoul and Shinuiju; (b) the construction of the Kaesong industrial complex; (c) the revitalization of Mountain Kumkang tourism; and (d) the connection of the railroad and natural gas pipeline linking the Russian Federation, the Democratic People's Republic of Korea and the Republic of Korea; and (e) the resumption of the reunion of separated family members. However, it is widely accepted that the peace-building process will take time and will require mutual understanding and trust.

II. Results and lessons of past cooperation

14. The Republic of Korea and UNDP have been working together in development since 1972. In the early 1990s, the Republic of Korea began providing matching funds for a number of UNDP projects and programmes. During the period of the first CCF, on behalf of the Republic of Korea, UNDP administered a total of $6 million, out of which $4.2 million were cost-shared resources from the Government, NGOs as well as the private sector. In the same period, the UNDP contribution was $1.8 million. Although the Republic of Korea was officially qualified as a net contributing country in 1996, it still continued to benefit from a "transitional" financial contribution from UNDP. Despite the 1997 financial crisis and its adverse impact on the country's economic and social position, the Government kept pace with its cost-sharing commitment.

A. Key results

15. In the difficult economic situation from end 1997 to early 2000, UNDP-supported programmes made substantial contributions to the development of national capacities to plan and implement sustainable human development programmes in the areas of science and technology, environment, gender equality and social welfare. Seventeen projects were implemented or are ongoing, with environment in the lead. All of these projects contributed to either supporting the development agenda of the Government and/or to breaking new ground in some areas. The outcomes produced were also good examples of creative development partnerships with governmental agencies, CSOs, and the private sector.

16. *Science and technology.* These projects contributed towards: (a) strengthening the national capacity to formulate a more effective science and technology policy; (b) sharing the Republic of Korea's experiences in science and technology with developing countries; and (c) promoting regional pilot projects on renewable energy, the biochemical industry and information technology, in order to improve women's living conditions and increase income for poor households in rural areas.

17. *Environment.* Many results of environment projects have been incorporated in the Ministry of Environment's new approach and will help to shape new projects. As examples, integrated pesticides management techniques are now part of the "environment-friendly agriculture technologies" promoted by the Ministry of Agriculture and Forestry. The report of the forestry management project is now one of the standard textbooks for the training of forestry protection agents. The actions plans developed for the South-west part of the Demilitarized Zone will be an integrated part of the new wetlands protection project. The "blue-print" for environmentally sound tourism in the Mt. Paekdu/Changbaishan area, developed under the Tumen River Area Development Programme, was endorsed by China, to attract environment-friendly tourism investment there.

18. *Gender equality.* Although small in number and size, these projects, with women's NGOs and research institutes, served vital functions in the empowerment of women in the Republic of Korea in areas such as women's representation in local politics, the promotion of women's active participation in the IT sector, the development of further legislation on violence against women and the reassessment of women's unpaid work contributions to national accounts.

19. *Poverty/social welfare.* The focus placed on anti-poverty programmes and support for vulnerable groups, the comprehensive analysis of the Republic of Korea's experience in the identification of effective approaches to and modalities for poverty eradication and the first *National Human Development Report* were critical to help raise awareness, mitigate and address the social consequences of the Asian financial crisis. Critical pilot projects spearheaded by NGOs for community-based activities, such as home-based care services for elderly and disabled people and the economic reinsertion of disabled people, opened a new window for human dignity, respect and the protection of vulnerable groups rights.. At the same time, they highlighted the cost-efficiency and savings associated with the approach. In addition, these projects had built-in intercountry cooperation modalities.

20. The Republic of Korea/UNDP partnership in projects that involved intercountry cooperation facilitated the bridging of national boundaries and identifying, accessing and sharing high-level expertise between the Republic of Korea and other countries. In recent years, the relationship between the Republic of Korea and UNDP has been devoted increasingly to regional collaboration, as evidenced in the Tumen River Area Development Programme, the TumenNet project, the gender equality through science and technology project, the Asia-Pacific Gender Equality Network and the Asia-Pacific gender equality through science and technology project. The Republic of Korea has not only been a beneficiary but has also shared widely its knowledge and financial resources. On a broader platform, through other United Nations agencies as well, the Republic of Korea has also started taking on an increasing role as a hub for training, exchanges, and knowledge-sharing, both inside of the country and, to some extent, outside of the country

B. Lessons learned

21. By drawing on comparative advantages, the diversification of partners has helped to better target interventions and enhance focus, thereby facilitating the implementation, monitoring and achievement of tangible and practical results. Enlarging the partnership base will continue to be part of the strategy for the second CCF.

22. The success in piloting new development initiatives and drawing lessons from them and the experience gained from new and expanded partnerships from subregional or regional interventions and participation have demonstrated the Republic of Korea's capacity to enhance its role as a development partner, not only as a financial contributor to the United Nations system and to UNDP, but also as a technical cooperation partner, a promoter of best practices and an in-kind contributor to the development of other less developed countries. This has contributed critically towards shaping the new approach of the second CCF, particularly to starting to identify new modalities to further support the Republic of Korea's agenda and enhanced role as a development partner.

III. Objectives, programme areas and expected results

23. The second CCF is a result of the active collaboration between the Government of the Republic of Korea and UNDP in defining mutually agreed upon areas of cooperation. The strategic thematic areas of focus of the CCF - environment and sustainable development, science and technology, information and communication technology (ICT) for development and social equity - reflect not only the overall priorities of the Government but UNDP corporate priorities as well. While part of the CCF will continue to address priority agenda at the country level, the second CCF will also set the stage for supporting the Republic of Korea's vision and agenda on the interregional, regional and global scene, as a key actor and partner for development of the UNDP and the United Nations system at large. As a result, the Republic of Korea will contribute both to national, regional and international prosperity, as well as to the enhancement of the quality of life.

A. Science and technology and information and communications technology

24. With the priority placed in past decades on the development of science and technology and the current emphasis on building experience and a knowledge-based society, the Republic of Korea, with one of the highest levels of connectivity, is well placed to enhance its role as one of the global hubs for policy development and advocacy, training and experience-sharing, science and technology, national IT strategies and the development of information networks and systems. Key partners will be the Ministry of Science and Technology, the Korea University of Technology, the Science and Technology Policy Institute and the Presidential Commission on Korea e-government. The initial inventory of the country's institutes with a potential for technical expertise, the sharing of training, etc., will be updated and enlarged to present a more comprehensive map of subjects, institutions, companies and universities. Partnerships will be established with a "consortium" of Korean universities, private companies, associations and government entities, to develop and finance proposals to support exchanges with developing countries, both at the technical and technological levels.

25. While the Republic of Korea has positioned itself globally in technology and hardware, it desires to enhance its capacity in systems and software development. Based on a solid and comprehensive inventory and analysis of existing systems and further discussion among the parties, a plan of action with initial priorities will be elaborated and expertise from the United Nations system will be drawn upon to assist in its implementation.

B. Environmental management

26. Environment is a key priority of the Government, particularly in mitigating the negative impacts of rapid growth and industrialization, further promoting ecologically sound and friendly sustainable development and contributing to the preservation/restoration of larger ecosystems in the subregion of which the Republic of Korea is an integral part. The Republic of Korea's participation in the new world environmental order in the twenty-first century and the implementation of environmental cooperation projects will be promoted in Global Environment Facility (GEF) programmes, such as sound management of the wetlands in the Republic of Korea in part of the Demilitarized Zone, eco-conservation and biotope in national parks along the major mountain range, eco-sound sustainable tourism and the preservation of the subregional Yellow Sea large marine ecosystem, preservation, as well as continued support to the Tumen subregional biodiversity project. Key partners will include the Government, through the Ministry of Environment, the Ministry of Maritime Affairs and local government units, as well as research institutes, such as the National Institute for Environmental Research, the Ocean Research and Development Institute, the Environment Institute, the Institute of Science and Technology and the Advanced Institute of Science and Technology, and NGOs such as the Federation of Environmental Movement, the Women's Environmental Committee, the Women's Environment Network, the Chamber of Commerce and the Federation of Korean Industries. The current active participation of various environment groups at government and CSO levels in promoting the global Agenda 21 and in international fora will be strengthened further.

27. The second CCF will promote an exchange of scientific information between countries in the region and beyond. An initial inventory of experiences and best environmental management practices in various fields such as environment-friendly agriculture and foresting/regenerating ecosystems will be drawn up, and training institutions will be identified and material will be developed, to be shared with other countries. Based on government priorities and an initial inventory of the major Korean partners involved in environmental issues and activities, options for the Republic of Korea to develop a holistic joint approach, pulling together all actors of the society (the Government, CSOs and the private sector), and taking the lead in the international arena for

advocating specific aspects of Agenda 21 will be explored.

C. Social equity

28. The programme of the new Ministry of Gender Equality will provide the backbone for in-country activities in the areas of gender mainstreaming at the policy level, enhancing the role and position of women in society and in the economic life of the country and in further promoting the participation of women in the political arena. The year 2002, which will be a very active year, with the upcoming presidential and parliamentarian elections, will provide further opportunities for joint advocacy and education activities.

29. A clear thrust for further joint work and advocacy both at the national and international level will be the continued promotion of the empowerment of women, their insertion into the economic life of their countries through access to and the use of IT and gender mainstreaming. The possibility of building partnerships between the Asia-Pacific Development Information Programme and other United Nations-wide/UNDP programmes and selected universities in the country and NGOs to help promote the gender perspective in projects supporting the IT strategies for developing countries will also be further pursued. Beyond the Ministry of Gender Equality, key partners will be the Korean Women's Development Institute, the Sookmyung Women's University, the Asia Pacific Women's Network, the Institute for Women in Politics, the National Council of Women and the Korea Women's Associations United.

30. Emphasis will also be placed on education, training and networking, both at national and international levels, through universities and NGOs, particularly in the IT area. Continued participation in subregional or regional programmes promoting gender equality in Asia and the Pacific as a whole or in North-east Asia will provide another channel for exchange, sharing and mutual learning.

31. Special attention will continue to be placed on ongoing activities in the area of social equity, particularly the Korean welfare system, the human rights of migrant workers, HIV/AIDS prevention, and in North-east Asia, promotion of vaccine safety through the creation of large linked databases and international outreach programmes. Key partners will be the Ministry of Health and Welfare, the Institute for Health and Social Affairs, the National Institute of Health, the Korean Anti-AIDS Federation, the Korean Alliance to defeat AIDS, the Red Cross, the Salvation Army and the Medical Mutual–AID Union for Migrant workers in Korea. The role of people's participation and volunteerism in the Republic of Korea in development and economic life will be further explored and shared during the World Conference on Volunteers, to be hosted by the Republic of Korea in 2002. A natural partner to provide wider international perspective will be the United Nations Volunteer programme.

D. Key outputs and outcomes

32. Key general expected outputs will be:

(a) At the national level, new recommendations that can be promoted at the policy level, a set of best practices and lessons learned that can be shared within and outside of the country, a set of studies on needs for further inbound technical support, as well a set of studies and strategies for the promotion of Republic of Korea's technical assistance to other countries;

(b) At the international level, a series of interventions by the Republic of Korea in support of the development of other countries via the larger United Nations/UNDP network, new cooperation networks and partnerships and enhanced implementation of the Republic of Korea's national priorities and the clearer international identification of the Republic of Korea as a donor and development partner.

33. More specifically, expected results will be:

(a) In the area of *science and technology*, the capacities of government officials in planning and coordination of science and technology policies, as

well as technical skills in technological forecasting, project management, evaluation and budgeting, will have been enhanced, allowing for more focused strategies and improved monitoring of their implementation. The model emerging from e-village pilot projects as an approach for effective poverty eradication through ICT in the Asia-Pacific region will have been widely disseminated through the relevant regional projects of the second regional cooperation framework, through the subregional resource facilities and other relevant networks, and the Republic of Korea will have served as a resource country towards sharing information and assisting other countries in developing national and regional science and technology and e-strategies for the Asia and Pacific region;

(b) In the area of *environment,* the situation analysis and dialogue with the stakeholders in the various GEF-supported projects are expected to help the government assess its current related development plans, policies and legal framework, and to readjust them, where appropriate, to make them not only more environment-friendly but also to take on a more holistic approach. It is also expected that the consultation process with stakeholders will be incorporated by the Government as a standard modality for the development of future environment management strategies. In addition, it is expected that the Republic of Korea will have identified a leading role in certain specific areas for the conservation of the subregional ecosystem. The studies of best practices are expected not only to continue feeding into national standard policies and practices but also to be shared with GEF and other environment networks;

(c) In the area of *social equity,* a more common understanding of the real meaning of "gender" and "gender mainstreaming" will have been created among key stakeholders, allowing both the strategy of the Ministry of Gender Equality and the various activities undertaken by other key actors to be more focused and better linked holistically, thereby enhancing the efficiency of the mainstreaming process. Regional networks among women entrepreneurs and women's organizations to promote small businesses, cooperative enterprises and employment opportunities for women will have been strengthened, particularly through the use of IT and e-business. It is hoped that the connection between the gender equality through science and technology/Asia-Pacific gender equality through science and technology projects and the Asia-Pacific Gender Equality Network will have been strengthened and that the Republic of Korea will be able to continue playing a catalytic role in the area of women and ICT. In the field of HIV/AIDS, it is expected that the issues of prevention and reducing the marginalization of people living with AIDS will be taken up nationally, and that the Republic of Korea will also play an important role at regional and global levels in the fields of information and awareness-raising, by using material developed nationally and supporting regional conferences, among other things. In parallel, it is expected that new policy options will have been developed, leading to refined national policies and strategies to follow up on the United Nations General Assembly Special Session on HIV/AIDS declaration, and that the Republic of Korea will continue to refine its national policy dialogue to revise the legal framework to protect the human rights of migrant workers.

E. Operational modalities

34. In order to ensure better targeting, easier implementation, monitoring and assessment of value for money, the specific design of the above interventions will be based on the results-based management approach, with emphasis on clear outputs and outcomes, achieved through a partnership strategy and various financing modalities (e.g., trust funds, direct project funding, etc.). The expected outcomes and outputs will also be integrated in the common reporting UNDP strategic results framework table.

35. Partnership will be a key to the successful implementation of the second CCF. New partners from the Government, NGOs, research institutions, academia and the private sector will be identified. Public-private partnerships will be promoted for enhanced resource mobilization and more effective implementation. New multi-actor partnerships will be explored to work both in the country and with

other countries, and networks aimed at reaching global levels will be developed and expanded.

36. Further capturing and defining strategies to best share experiences and expertise at national, regional and global levels will be another building block of the second CCF. Towards this end, an updated assessment of the progress in the implementation of global Conventions to which the Republic of Korea has subscribed, particularly in the areas of environment, IT and gender will be carried out. Inventories of areas for collaboration and strategies for sharing will be communicated widely through UNDP and the entire United Nations system.

37. The Republic of Korea will further strengthen cooperation at the North-east Asia subregional level and regional and global levels, as an active resource and policy provider to regional projects under the new regional cooperation frameworks and global cooperation framework, for transboundary and regional public goods issues. Issues that address cooperation between the Democratic People's Republic of Korea and the Republic of Korea will be looked at and monitored from this perspective, in addition to the activities already undertaken within the Tumen River Area Development Programme and TumenNet projects, and the contributions to the Agricultural Relief and Rehabilitation Programme and the Agricultural Rehabilitation and Environment Protection projects in the Democratic People's Republic of Korea. UNDP will assist the Republic of Korea in sharing its development experience of over 20 years in several fields with developing countries.

V. Management arrangements

38. The Government of the Republic of Korea will oversee the implementation of the second CCF, while the UNDP country office will be responsible for day-to-day management and coordination of the implementation of the CCF, in consultation with its various implementing partners. The Ministry of Science and Technology remains the primary national counterpart of UNDP, and as the coordinator of official development assistance, the Ministry of Foreign Affairs and Trade will be also closely associated with the development, implementation and monitoring of the second CCF and its interventions.

39. National execution will remain the principal method of execution of the Republic of Korea's second CCF. As such, executing agencies/partners at the local level (e.g., universities, think tanks, local governments or regional authorities) and within the private sector and civil society will be identified to help to design and implement the selected interventions. UNDP and the Republic of Korea will also take advantage of the network of regional and subregional resource facilities during the period of the second CCF, for programme assessment, project development and policy advice. These services will be secured when and as needed, especially from the Bangkok Subregional Resource Facility, which focuses on governance, poverty alleviation, environment and advocacy.

Annex

Resource mobilization target table for the Republic of Korea (2001-2003)

Source	*Amount (In thousands of United States dollars)*	*Comments*
UNDP regular resources		
Estimated carry-over	-	
TRAC 1.1.1	-	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Subtotal	-	
UNDP other resources		
Government cost-sharing	2 157 [b]	
Third-party cost-sharing	831	
Funds, trust funds and other	1 199 [c]	GEF
Subtotal	**4 187**	
Grand total	**4 187** [a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

[b] This pertains to national programmes and does not include the intended cost-sharing to be provided by the Republic of Korea to UNDP regional programmes (e.g., $1 million to the Tumen River Area Development Programme.

[c] Direct contributions from GEF ($1.199 million) to country-specific projects (wetlands, Mt. Paekdu, and persistent organic pollutants). This does not include the share of GEF funding available to the Republic of Korea under the $14.305 million GEF subregional Yellow Sea project.

Abbreviations: GEF = Global Environment Facility; TRAC = target for resource assignment from the core.